

10.00 am, Thursday, 14 January 2016

Contract for Trauma and Final Cleaning in Domestic Properties - Award of Contract

Item number	7.23
Report number	
Executive/routine	Executive
Wards	All

Executive summary

This report seeks the approval of the Finance & Resources Committee to award the contract for Trauma and Final Cleaning within domestic properties for the period 1 March 2016 until 28 February 2019 with an option to extend for 12 months for an estimated total contract value of £1,110,789.08. A competitive tender process to identify the most economically advantageous tender was carried out.

Links

Coalition pledges	CP08
Council outcomes	CO16
Single Outcome Agreement	SO4

Contract for Trauma and Final Cleaning in Domestic Properties - Award of Contract

Recommendations

- 1.1 Approve the contract award for Trauma and Final Cleaning to domestic properties to VPS UK Ltd for the period 1 March 2016 until 28 February 2019 for an estimated value of £833,091.81 with an option to extend for 12 months at estimated value of £277,697.27. This is a total contract value of £1,110,789.08 over the four years of the contract.

Background

- 2.1 The Council requires a provider to complete trauma cleaning and house cleaning in council homes and for the homes of customers receiving services from Health and Social Care. This function is needed in both empty Council homes and domestic properties which require cleaning to allow a patient to return home from hospital. Trauma work can include the removal and disposal of various items, needle sweeps, deep cleaning (including bodily fluids), deceased animals and vermin, excrement and disinfection of surfaces.

Main Report

- 3.1 This report seeks approval to appoint one suitably qualified and experienced contractor to carry out trauma and final cleaning in domestic properties.
- 3.2 The tender and evaluation process was undertaken in accordance with Council Standing Orders, Public Procurement (Scotland) 2012 Regulations and EU Procurement Directives.
- 3.3 A full tender exercise was carried out which included, placing a contract notice on the Public Contracts Scotland Portal as a single stage procedure on 4 May 2015.
- 3.4 There were 42 organisations who noted their interest in the contract. Of these, 13 organisations submitted an Invite to Tender (ITT) by the closing date of 22 June 2015.
- 3.5 The first stage of the ITT evaluation process was used to assess if the bidders were suitably qualified and experienced by considering their financial stability, technical capability, capacity, experience and organisational processes and procedures evidenced by previous project examples.
- 3.6 After completion of this stage, one bidder was disqualified due to not passing the mandatory criteria as set out within the ITT documentation.

- 3.7 The ITT stated that the contract would be awarded to the top scoring supplier on the basis of the most economically advantageous tender, with 40% of the overall score being given to quality and 60% given to price. This ratio was determined as the cleaning market is well established and stable. This ratio also ensured that the focus was on the value of the cleaning being undertaken to ensure maximisation of the savings to support the Council's budget.
- 3.8 The 13 tender submissions received were evaluated individually by the three members of the evaluation team to determine a score for quality. On completion of the individual evaluation process, a consensus meeting was held by the members of the evaluation team and the contract administrator from Commercial and Procurement Services. Individual evaluation criteria scores were reviewed and debated and a consensus score reached for each bidder. The appropriate weighting was then applied to each of the individual evaluation criteria to arrive at a final quality score.
- 3.9 Following the evaluation, a further five bidders were disqualified due to scoring 0 or 1 on one or more scored questions. The decision was made to disqualify these tenders due to the quality of service being critically important to the overall tender and subsequent service provided.
- 3.10 Following completion of the quality analysis, their pricing bids were opened and subject to a cost analysis. These were checked and evaluated as accurate.
- 3.11 The lowest priced tender was received which was awarded the maximum score of 60% for price. All other bids were then scored on a pro-rata basis against this lowest bid i.e. for each of the other bids the lowest bid price was divided by that bid price and multiplied by the maximum score of 70.
- 3.12 All submitted pricing was based on Schedule of Rates and notional occurrences from a historical 12 month period.
- 3.13 The quality scores were then combined with the scores from the cost analysis to derive an overall score for each bidder, out of a maximum of 100. The results are detailed in the table on page 4.

Bidder	Quality Score	Price	Price Score	Total Score
Bidder 1 – VPS UK Ltd	29	£277,697.27	60	89
Bidder 2	27	£299,824.47	55.57	82.57
Bidder 3	31.5	£391,630.77	42.54	74.04
Bidder 4	29.75	£412,156.51	40.43	70.18

Bidder 5	25.5	£442,275.60	37.67	63.17
Bidder 6	27.75	£462,286.00	32.09	59.84
Bidder 7	21	£519,177.19	36.04	57.04

- 3.14 The bidder with the highest overall score, which represents the most economically advantageous tender, is VPS UK Ltd who provided satisfactory responses to all elements of the award criteria and met all mandatory criteria for insurance levels, trade experience, financial stability and business probity.

Measures of success

- 4.1 The success of the framework will be measured by Key Performance Indicators (KPIs).
- 4.2 KPIs will ensure that strict contract management and performance monitoring is maintained for all maintenance and improvement works carried out on behalf of the Council. KPIs will measure:
- Response times
 - Completion times
 - Community Benefits
 - Customer Complaints
 - Health and Safety incidents.

Financial impact

- 5.1 This contract was advertised in the Official Journal of the European Union with an overall contract value range of £700,000 to £2,000,000 from 1 March 2016 until 28 February 2019 due to the varying level of work which is put through this contract. This spend is accommodated within the HRA for EBS and, for H&SC related properties, from the Section 12 (Social Work Scotland Act) budget.
- 5.2 Based on historical occurrences it is estimated that the annual value of this contract will be £277,697.27.
- 5.3 It is anticipated that savings of approximately 38% will be delivered from this contract based upon comparison between the existing contract Schedule of Rates and notional occurrences with the suppliers submitted Contractor s Adjustment applied. The delivery of savings against budget spend will be monitored.
- 5.4 The costs associated with procuring this contract are estimated to be between £10,001 - £20,000, this is costs purely associated to resource, which is already accounted for.

Risk, policy, compliance and governance impact

- 6.1 There are no negative risk, policy, compliance and governance impacts arising from this report.
- 6.2 The risks of not approving this report for Empty Homes will be, properties which require a trauma and or final clean, may not returned to the Local Neighbourhoods within the timescales. This may cause additional rent loss and bed blocking within hospitals and temporary accommodation.
- 6.3 The risk of not approving this report for Health and Social Care would be a discontinuous of service, which would mean people may not be able to return to their home if admitted to hospital, until their home was safe to do so.

Equalities impact

- 7.1 There are no negative equality or human rights impacts arising from this report.

Sustainability impact

- 8.1 The Contractor will be required to deliver Community Benefits such as employing modern apprentices and, through their tender submission, have committed to identifying local SME's and supported businesses as well as looking to partner with Edinburgh Council to provide one week placement to help develop skills and experience of disabled young adults in the working environment.

Consultation and engagement

- 9.1 Engagement was carried out with Edinburgh Building Services, Commercial and Procurement Services and Health & Social Care.

Background reading/external references

N/A

Paul Lawrence

Executive Director - Place

Contact: Alex Burns, Housing Asset Manager

E-mail: alex.burns@edinburgh.gov.uk | Tel: 0131 529 5890

Links

Coalition pledges	N/A
Council outcomes	N/A
Single Outcome Agreement	N/A
Appendices	Appendix 1 – Summary of Tendering and Tender Evaluation Processes

Appendix 1 - Summary of Tendering and Tender Evaluation Processes

Contract	Trauma and Final Cleaning
Contract period	6 January 2016 – 5 January 2021 –(including a 1x12 month optional extension)
Contract value	£1,110,789.08
Standing Orders observed	2.4 Requirement to advertise 5.1.b Selection of the most economically advantageous tender
Portal used to advertise	www.publiccontractsscotland.co.uk
EU Procedure chosen	Open
Invitations to tender issued	42
Tenders returned	13
Tenders fully compliant	7
Recommended supplier/s	VPS UK Ltd
Primary criterion	Most economically advantageous tender to have met the qualitative and technical specification of the client department
Evaluation criteria and weightings	Written responses were provided for the following award criteria areas: <ol style="list-style-type: none"> 1. Delivery Of The Contract – 20% 2. Workmanship – 15% 3. Collaboration, Monitoring & Dispute Resolution - 5% 4. Meeting KPI's & Targets – 15% 5. Management Information – 5% 6. Quality Assurance – 10% 7. Health & Safety – 10% 8. The Environment – 5% 9. Continuous Improvement – 5% 10. Equalities – 2.5% 11. Community Benefits - 2.5% 12. Workplace Matters – 5%
Evaluation Team	Operations Manager, Services for Communities Integrated Practice Manager, Health and Social Care Operations Manager, Services for Communities